



STATE OF WISCONSIN

Department of Employee Trust Funds

Eric O. Stanchfield
Secretary
801 West Badger Road
P.O. Box 7931
Madison, WI 53707-7931

PROGRESS REPORT **Office of Private Employer Health Care Coverage**

Contact: Phil Borden, Director
Phone: 608-261-0731
E-mail: phillip.borden@etf.state.wi.us

November 16, 2000

October/November Highlights

- Request for Proposals for Administration and Marketing released
- Health Insurance Survey brings in over 1,200 responses
- Staff continue to conduct research into "best practices" and current environment
- Board will meet again December 4

Request for Proposals Released

Today, the Office of Private Employer Health Care Coverage (OPEHCC) issued a request for proposals (RFP) for administrative and marketing services. The selected vendor will serve as the backbone of the program, by contracting with health plans; conducting enrollment and dual-choice periods; maintaining eligibility files; billing, collecting and distributing premium; and providing reports about program performance. The contracted administrator will also serve as a liaison with insurance agents, providing training, support, and commission payments. The aggressive procurement timeline anticipates a contract effective date of December 28, 2000. The RFP was issued to interested organizations via e-mail and VendorNet, the State's procurement registration service.

Employer Survey Generates Impressive Response

The office has been working with a variety of organizations representing Wisconsin businesses—Chambers of Commerce, Wisconsin Manufacturers and Commerce, Wisconsin Independent Businesses, the Wisconsin chapter of the National Federation of Independent Business, and the Wisconsin Farm Bureau Federation—to distribute a survey regarding health insurance issues. To date, over 1,200 completed questionnaires have been returned. Some surveys have not yet been distributed, so responses will continue to arrive through the middle of December. With the results, we expect to identify key insurance issues facing private employers and gauge statewide interest in the program. This information will also aid in negotiations with the program administrator and interested insurance carriers. Preliminary results were shared with the Private Employer Health Care Coverage Board at its November 2 meeting.

Established Programs Provide Insight

OPEHCC staff continues to research similar employee-choice health insurance programs across the country to ensure that Wisconsin's program has the greatest likelihood of success in offering a long-term solution to the volatility of the small business experience in the health insurance market. Director Phil Borden traveled to California in October to meet with members of the California department responsible for designing and implementing the successful Health Insurance Plan of California in 1993. While there, he also met with staff of the organization which acquired the program when it was privatized in 1999, and staff of a competing employee-choice program in southern California. Program Manager A.B. Orlik joined these meetings via conference call. From these meetings, we gained a thorough understanding of "best practices" and how differences between the markets in Wisconsin and California will affect the program developed here.

Agent and Health Plan Perspectives Sought

On October 18, OPEHCC hosted an informal meeting with a small group of insurance agents from geographically diverse areas of the state to solicit their input as the basic framework of the program is established. Staff sought information about the current state of the private-sector insurance market and the climate in which insurers and employers are operating. The group's insights proved extremely valuable and we look forward to working with this team as the program takes shape.

In the coming weeks, OPEHCC staff will meet with health plan representatives to gauge their level of interest in participating in the program. We have already requested and received from Wisconsin's top small-group insurers their current best-selling medical benefit plan designs. This data, as well as the remainder of our research, will guide development of benefit plan designs, underwriting guidelines, and other program rules.

Next Board Meeting Set

The Private Employer Health Care Coverage Board will next meet at 8:30 a.m. on Monday, December 4, 2000 at Mortenson Matzelle & Meldrum, Inc., 3313 West Beltline Highway in Madison. The primary item on the agenda is consideration of the annual report to the Legislature and Governor, as required by s. 40.98(7)(a).

Minutes and other materials from previous Board meetings may be requested from our Board Coordinator, Gina Fischer. She can be reached at 608-266-1652 or gina.fischer@etf.state.wi.us.

Progress Reports Will Continue

The Office of Private Employer Health Care Coverage intends to keep you informed of our progress through periodic e-mail updates. If you or your staff have further questions, please feel free to contact Phil Borden, Director, at 608-261-0731, or Pam Henning, Employee Trust Funds Director of Legislation and Planning, at 608-267-2929.

###